



# PRESS NOTICE

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FOR IMMEDIATE RELEASE

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## **FORMER SPARTANBURG INSURANCE AGENT SENTENCED TO FEDERAL PRISON**

**Columbia, South Carolina**---- United States Attorney Bill Nettles announced today that WILLIAM MADISON WORTHY, age 49, of Isle of Palms, South Carolina, formerly of Spartanburg, South Carolina, was sentenced today to serve 87 months incarceration for the embezzlement of “insurance premiums” from a health care benefit program. The sentence was handed down by Senior District Court Judge Henry Herlong, Jr. in Greenville, South Carolina. Judge Herlong will order restitution at a later date when all victims have been located.

Worthy pled guilty before Judge Herlong at an earlier date. At that hearing Assistant United States Attorney David C. Stephens advised the court of the following facts. Worthy was for many years involved in various aspects of the insurance industry. One of his roles was as a third party administrator (TPA) for self-funded health insurance plans. In its most simple form a self-funded plan is one where a group of people pay funds to the Plan monthly and any medical bills they incur are paid out of that pool of money. A TPA typically takes in the funds, adjudicates claims and pays the medical providers.

Worthy served as a TPA for such a group, which although referred to as the Church Plan, actually had other than religious organizations involved. This plan was subject to oversight by the U.S. Department of Labor, Employee Benefits Security Administration (EBSA). Investigators for the EBSA began to see signs that monthly payments taken in were being misapplied by Worthy and they along with the Federal Bureau of Investigation (FBI), with the assistance of the United States Attorney's Office in South Carolina, began an inquiry. It was ultimately determined that out of \$3.5 Million that was taken in that on top all of the fees and other charges Worthy was paid he then stole almost another \$1 Million. This theft caused the plan to fail leaving unclaimed claims of close to \$1.7 Million.

As stated earlier an order of restitution will be issued at a later date. Mr. Stephens advised that at this point it appears that over 4,000 claims were not paid. Investigators are now doing the painstaking work of determining if the medical provider or the insured took the loss on these claims. Mr. Nettles stated that since

becoming United States Attorney healthcare fraud cases have been one of his major focuses and he is very pleased with the outcome of the Worthy case. He commended the investigators from the EBSA whose Health Benefits Security Project focuses on egregious and corrupt health arrangements and also the Special Agents from the FBI. Nettles stated, "It is an honor and pleasure for me to be able to work with such highly qualified and devoted men and women."

Isabel Colon, Regional Director of EBSA's Atlanta Regional Office echoed these thoughts stating, "Theft of employee benefits assets jeopardize the health security of workers. This case reaffirms the Labor Department's commitment to protect workers' benefits by identifying criminal activity wherever and whenever it occurs."

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